



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-4704

February 28, 2003

INSPECTOR GENERAL INSTRUCTION 4500.1

SUBJECT: Transportation Incentive Program

References:

- a. Executive Order 13150, April 21, 2000.
- b. Title 26, U.S. Code, section 132, Certain Fringe Benefits.
- c. Title 26, U.S. Code of Federal Regulations, section 1.132-9, Qualified Transportation Fringes.
- d. Deputy Secretary of Defense memorandum, "DoD Transportation Incentive Program," October 13, 2000.
- e. Internal Revenue Code, section 162, "Trade or Business Expenses."
- f. Treasury Regulation, section 1.183-2, "Activity Not Engaged in for Profit Defined."

A. Purpose. The purpose of this Instruction is to provide policy and procedures for the Office of the Inspector General of the Department of Defense (OIG DoD) Transportation Incentive Program.

B. Cancellation. This Instruction supersedes IGDINST 4500.1, *Transportation Incentive Program*, April 10, 2001.

C. Background. Reference a directed federal agencies to establish by October 1, 2000, transportation fringe benefit programs to reduce federal employees' contribution to traffic congestion and air pollution, and to expand their commuting alternatives. These programs must comply with the requirements of reference b for qualified transportation fringe benefits under reference c. Reference a differentiates between employees working inside the National Capital Region (NCR) and those outside the NCR with respect to the kind of transportation incentives that federal agencies must offer.

D. DoD Policy. In accordance with reference d, the Department will implement the same transit incentives inside and outside the NCR to ensure that all personnel are treated equitably.

E. OIG DoD Policy

1. **Within the NCR.** The OIG DoD will implement a transportation incentive program with the support of the Washington Headquarters Services (WHS), DoD, and the Department of Transportation (DOT), Transportation Administration Services Center (TASC). The Director, WHS, will administer the transportation incentive program. The TASC will assist the WHS by purchasing and distributing transit passes.

2. **Outside the NCR.** The OIG DoD will purchase transit passes using the government credit card or reimburse qualified employees for expenses incurred or paid by them, up to the monthly amount allowed, for transportation via mass transit or qualified van pools. If transit passes are purchased with the government purchase card, the purchase card limit is \$2,500 and IG Form 4100.33-3, *Commercial Purchase Card Request for Purchase of Supplies and Services*, is to be completed.

F. Applicability. The transportation incentive program will apply equally to all OIG DoD civilian employees and Military Service members (employees with subsidized parking must relinquish their parking permits when they participate in the program). The Military Services are responsible for transit pass costs for Military Service members. Overseas locations are not included in the Transportation Incentive Program.

G. Definitions

1. **Transportation Fringe Benefit.** A nontaxable benefit whereby the OIG DoD provides to its members/employees direct reimbursement or transit passes in amounts that do not exceed personal commuting costs up to the maximum allowed. Parking costs are not used in determining commuter costs.

2. **Transit Pass.** A transit pass is any pass, token, farecard, voucher, or similar items exchangeable for fare media that entitles a person to transportation (a) on mass transit facilities (whether or not publicly owned); or (b) in van pools owned and operated either by public transit authorities or by a person in the business of transporting persons for compensation or hire. The van must seat at least six adults (excluding the driver).

3. **Cash Reimbursement Arrangement.** A nontaxable cash reimbursement by the OIG DoD to its members/employees for expenses incurred or to be paid by them for transit passes or for van pools.

4. **Operated by a Person in the Business of Transporting Persons for Compensation or Hire.** A van pool is operated by a person in the business of transporting persons for compensation or hire when it is (a) registered with the local transit authority and eligible to receive cash vouchers applicable to that local system, or (b) when it satisfies the requirements in section 132(f)(5)(A)(ii) of reference b and is an activity engaged for profit as that term is interpreted under reference e. Also see reference f for factors relevant in determining whether an activity is engaged in “for profit.” The owner of a van pool that is not registered with the local transit authority must certify to the OIG, DoD, that his or her activity satisfies the requirements in reference e before any member/employee can be reimbursed for expenses incurred in connection with use of that van pool. The OIG DoD may not provide legal advice to the van pool operators on this subject. If such an operator requires advice, the operator should consult with an attorney, accountant, etc. to determine whether he or she meets these tests.

5. **Outside the NCR.** The 50 states (excluding the area included inside the NCR), the Commonwealth of Puerto Rico, Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

H. Responsibilities

1. The **Office of the Comptroller, OIG DoD**, shall:
 - a. Ensure funds are budgeted for transit costs based on employee participation rate inside the National Capital Region (NCR) and requests submitted by OIG components for employees outside the NCR.
 - b. Issue funding authorization and fund citation to be used for transit program outside the NCR.

c. Provide a list of authorized certifying officials and signature cards to the Defense Finance and Accounting Service (DFAS), Vendor Pay, at the DFAS Center for Sustaining Forces-Indianapolis, ATTN: DFAS-IN/RFB, Vendor Pay, 8899 East 56th Street, Indianapolis, Indiana 46249-1325.

2. The **OIG Components** shall:

a. Designate “approving officials” to review and “authorized certifying officials” to approve the Standard Form (SF) 1164, *Claim for Reimbursement for Expenditures on Official Business* (see Figure 1).

b. Provide a list of employees and their estimated monthly costs to the Office of the Comptroller, OIG DoD, before certifying any claim for payment.

3. **Employees** shall follow the procedures in paragraph I for obtaining and using the government-provided transit pass and paragraph J for reimbursement of transit costs with the SF 1164.

4. **Approving Officials** shall:

a. Review and approve requests submitted by eligible employees outside the NCR who wish to participate in the DoD Public Transportation Benefit Program.

b. With regard to SF 1164’s:

(1) Review the SF 1164 and supporting documentation to determine if all required information has been submitted to support a claim for reimbursement.

(2) Approve the SF 1164 in block 8 and forward it to the designated authorized certifying officer.

(3) Deny the SF 1164 claim if it does not meet the requirements. Provide written notification to the claimant regarding the denial and specify the reason(s) for it.

5. **Authorized Certifying Officials** shall:

a. Certify and maintain documentation on transit fare benefit purchases made through use of the government purchase card outside the NCR.

b. With regard to SF 1164’s:

(1) Ensure that costs for employees are reported to the Office of the Comptroller, OIG DoD, and funding authorization is issued to ensure that sufficient funds are reserved to cover the reimbursement claim before approving any SF 1164.

(2) Deny the SF 1164 claim if it does not meet the requirements. Provide written notification to the claimant and specify the reason(s) for the denial.

(3) Post the appropriate accounting classification on the SF 1164.

(4) Approve the SF 1164 in block 9 and forward it to DFAS for payment at the DFAS Center for Sustaining Forces-Indianapolis, ATTN: DFAS-IN/RFB, Vendor Pay, 8899 East 56th Street, Indianapolis, Indiana 46249-1325.

(5) Maintain documentation on reimbursements approved.

I. Procedures for Obtaining the Government-Provided Transit Benefit

1. Within the NCR

a. Employees who wish to enroll in the DoD NCR Public Transportation Benefit Program must submit a DD Form 2845, *U.S. Department of Defense (National Capital Region) Public Transportation Benefit Program Application* (Figure 2), to the DOT. Complete details on the program and procedures for obtaining transit passes may be found at <http://www.dticmil/ref/html/NCRTransitpass.html>.

b. Employees must certify on the form that they are eligible for a public transportation fare benefit, will use it for their daily commute to and from work, will not transfer it to anyone else, and that the monthly transit benefit does not exceed their monthly commuting costs. In addition, they must not be named on a federally subsidized workplace parking permit with DoD or any other federal agency.

c. The DOT disburses transit passes quarterly at the OIG DoD. Employees approved under the program may pick up their passes at the announced disbursement point.

2. Outside the NCR

a. Employees “outside” the NCR who wish to participate in the DoD Public Transportation Fare Benefit Program must submit a memorandum request to their approving official (see sample at Figure 3).

b. Employees must certify on the request that they are eligible for a public transportation fare benefit, will use it for their daily commute to and from work, will not transfer it to anyone else, and that the monthly transit benefit does not exceed their monthly commuting costs. In addition, they must not be named on a federally subsidized workplace parking permit with DoD or any other federal agency.

c. The OIG DoD field activities will determine if transit passes will be provided to the employee by using the government purchase card, government purchase card checking account, or through reimbursement procedures using the SF 1164.

d. The OIG DoD field activities will identify their public transportation benefit requirements through their OIG component to the Office of the Comptroller, OIG DoD.

e. The Office of the Comptroller, OIG DoD, is responsible for issuing funding authority to field activities through their OIG components for the purchase card funding process or funds related to a specific accounting classification for use on the SF 1164 reimbursement claim.

J. Procedures for Reimbursement by the SF 1164

1. Complete the SF 1164 for reimbursement of transit costs outside the NCR if transit passes are not provided by the OIG DoD. Clearly indicate in block 6 of the SF 1164 that he or she is seeking reimbursement under the DoD Transportation Incentive Program. The SF 1164 should indicate:


- a. The method of transportation.
- b. The period for which the employee is seeking reimbursement.
- c. The amount of reimbursement.

2. Provide one of the following to allow electronic payment processing:

- a. The account number and routing number of the account to be credited with the reimbursement.
 - b. A copy of a voided check/deposit slip displaying the account and routing numbers.
 - c. A completed SF Form 1199A, *Sign Up Form*, for Direct Deposit (see Figure 4).
3. Submit SF-1164 to the approving official:
- a. The employee can submit the SF 1164 at the end of the month, attaching a used transit pass or van pool receipt, and certifying that he or she purchased and used it during the month solely for the purpose of commuting to and from work.
 - b. The employee can submit the SF 1164 at the beginning of the month along with an unused transit pass (show the original to approving official and attach a copy) and certify that it will be used during the month solely for the purpose of commuting to and from work.
 - c. If a receipt is not provided in the ordinary course of business, the employee must certify on the SF 1164 the type and amount of expenses incurred and the period in which the expenses were incurred.
4. Maintain a copy of the completed SF 1164 and supporting documentation.

K. Effective Date. This Instruction is effective immediately.

FOR THE INSPECTOR GENERAL:


Joel L. Leson
Director
Office of Administration
and Information Management

[illegible]

Figure 1. SF 1164, Claim for Reimbursement for Expenditures on Official Business

U.S. DEPARTMENT OF DEFENSE (NATIONAL CAPITAL REGION) PUBLIC TRANSPORTATION BENEFIT PROGRAM APPLICATION <small>(Upon completion, fax application to (703) 614-4211)</small>			
IMPORTANT: To process this application, you must select one of the following. Are you (X only one):			
<input type="checkbox"/> ENROLLING	<input type="checkbox"/> WITHDRAWING	<input type="checkbox"/> MAKING A CHANGE	
<input checked="" type="checkbox"/> X here if you have been previously enrolled in the DoD NCR Program.			
PRIVACY ACT STATEMENT			
AUTHORITY: Public Law 101-509.			
PRINCIPAL PURPOSE(S): To facilitate timely processing of your request, to ensure your eligibility, and to prevent misuse of the funds involved.			
ROUTINE USE(S): This information will be matched with lists at other Federal agencies to ensure that you are not listed as a carpool or vanpool participant or a holder of any other form of vehicle worksite parking permit with DoD or any other Federal agency.			
DISCLOSURE: Voluntary; however, failure to furnish the information on this form may result in disapproval of your request for a public transit fare benefit.			
INSTRUCTIONS			
- Print or type all information. - Applications must be filled out completely. Incomplete or illegible applications will not be processed. NOTE: There is a five (5) day waiting period between the receipt of this application and the availability of the transit voucher. DOT does not confirm receipt of applications.			
1. APPLICANT INFORMATION			
a. LAST NAME		b. FIRST NAME	
c. MIDDLE INITIAL		d. CITY (Residence)	
e. STATE		f. ZIP CODE	
g. OFFICE TELEPHONE NUMBER <small>(Include Area Code)</small>	h. LAST 4 DIGITS OF YOUR SSN	i. WHAT ORGANIZATION ARE YOU WITH? (Enter code from list on back) <div style="border: 1px solid black; height: 15px; width: 100%;"></div> OTHER (If not listed, specify): _____	
j. LOCATION/BUILDING	k. ARE YOU: (X one only) <input type="checkbox"/> CIVILIAN (Go to 1.o.) <input type="checkbox"/> MILITARY <input type="checkbox"/> NON-APPROPRIATED FUNDS (NAF) (Go to 1.n.)		
l. ARE YOU: (X one only) <input type="checkbox"/> OFFICER <input type="checkbox"/> ENLISTED		m. ARE YOU: (X one only) <input type="checkbox"/> AIR FORCE <input type="checkbox"/> NAVY <input type="checkbox"/> ARMY <input type="checkbox"/> MARINE CORPS	
n. FOR NAF EMPLOYEES ONLY (X one only) <input type="checkbox"/> AIR FORCE <input type="checkbox"/> MARINE CORPS <input type="checkbox"/> ARMY <input type="checkbox"/> OTHER <input type="checkbox"/> NAVY			
o. ARE YOU ISSUED A FEDERALLY SUBSIDIZED PARKING PASS? <input type="checkbox"/> YES <input type="checkbox"/> NO IF YES, WHERE DO YOU PARK? _____			
p. BEFORE APPLYING FOR THIS TRANSIT BENEFIT, DID YOU: <input type="checkbox"/> DRIVE TO WORK <input type="checkbox"/> USE SOME FORM OF MASS TRANSIT			
2. MODES OF TRANSPORTATION TO BE USED TO AND FROM WORKPLACE (X all that apply)			
<input type="checkbox"/> METRO BUS <input type="checkbox"/> METRO RAIL <input type="checkbox"/> COMMUTER BUS <input type="checkbox"/> COMMUTER TRAIN <input type="checkbox"/> VANPOOL METRO SMARTTRIP CARD ID NUMBER (If applicable) _____			
3. EMPLOYEE CERTIFICATION			
WARNING: This certification concerns a matter within the jurisdiction of an agency of the United States and making a false, fictitious, or fraudulent certification may render the maker subject to criminal prosecution under Title 18, United States Code, Section 1001, Civil Penalty Action, providing for administrative recoveries of up to \$10,000 per violation, and/or agency disciplinary actions up to and including dismissal.			
I certify that I am employed by the U.S. Department of Defense and am not named on a Federally subsidized workplace parking permit with DoD or any other Federal agency, or that I will relinquish my permit before or upon receiving the fare benefit.			
I certify that I am eligible for a public transportation fare benefit, will use it for my daily commute to and from work, and will not transfer it to anyone else.			
I certify that the monthly transit benefit I am receiving does not exceed my monthly commuting costs.			
I certify that my usual (or estimated) monthly commuting costs, excluding parking , are: \$ _____ (This item must be completed.)			
a. EMPLOYEE SIGNATURE			b. DATE SIGNED (YYYYMMDD)

DD FORM 2845, JUL 2002

PREVIOUS EDITION IS OBSOLETE.

Figure 2. DD Form 2845, U.S. Department of Defense (National Capital Region) Public Transportation Benefit Program Application

MEMORANDUM FOR *(Applicable Approving Official's Name and Organizational Code)*

Subject: Transportation Incentive Program (Outside the National Capital Region)

I request approval to participate in the Transportation Incentive Program and further certify that:

- a. I am employed by the OIG DoD and am not named on a federally subsidized workplace parking permit with DoD or any other federal agency, or that I will relinquish my permit before or upon receiving the fare benefit.
- b. I am eligible for a public transportation fare benefit, will use it for my daily commute to and from work, and will not transfer it to anyone else.
- c. The monthly transit benefit I receive does not exceed my monthly commuting costs.
- d. I will not use the government-provided transit benefit in excess of the statutory limit. If my commuting costs per month on public transit exceed the monthly statutory limit, I will supplement those additional costs with my own funds rather than use a government-provided transit benefit designated for use in a future month.
- e. My usual (or estimated) monthly commuting costs, excluding parking, are \$_____.
- f. My mode of transportation to be used to and from the workplace is _____.

Employee's Printed Name

Signature

Organizational Code

Date

Figure 3. Sample Letter for Employees Outside the NCR
Requesting to Participate in the Transportation Incentive Program

